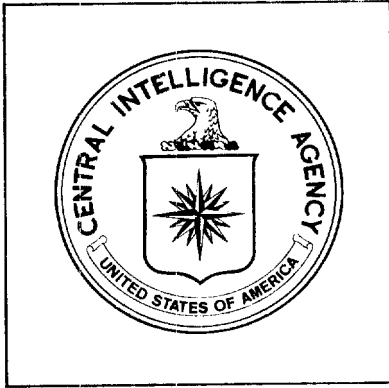


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WESTERN EUROPE — CANADA — INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Arabs May Intend to Expel Israel from the
ICAO

The Arab states may be preparing steps to expel Israel from the International Civil Aviation Organization (ICAO). At a meeting of the Arab Civil Aviation Council in Morocco last month the Arabs reportedly concluded that they could count on sufficient support for this move and, therefore, they should proceed with specific steps to bring it about.

No precedent exists for the expulsion of an ICAO member, although both South Africa and Portugal have had some rights suspended by the Assembly. It is uncertain, moreover, whether such an Arab move could succeed at this time. A regular Assembly is not scheduled to meet again until 1977, but an extraordinary Assembly session can be convened at any time if a sufficient number of ICAO members request it.

The Arabs have not yet specified the grounds on which they would demand Israel's expulsion but they apparently feel that a number of recent Israeli actions--for example, the Israeli interceptions of Arab civil aircraft in February and August 1973--can be considered violations of air safety and other international rules.

Israel is awaiting a formal submission of a resolution to the ICAO's governing Council or Assembly before reacting publicly to the Arab move. (Confidential)

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British Prime Minister Wilson Issues Warning
to Unions

In a sharp warning to striking auto workers last weekend, Prime Minister Wilson hinted that the Labor government may be prepared to allow industrial firms to fail and unemployment to rise unless the unions cease their illegal work stoppages. Wilson probably is hopeful that his threat, along with the government's current informal arrangements with labor, will avert the need for statutory wage and price controls.

Wilson's speech was prompted by a strike of 250 workers at a British Leyland plant that resulted in the lay-off of 12,000 other workers at the plant. Wilson suggested that "avoidable" strikes are hurting the economy, particularly the country's efforts to increase exports. He said that the government could not justify subsidizing companies where work stoppages were a regular pattern. British Leyland last month asked for government aid.

Reactions to Wilson's threat were wide-ranging but Jack Jones, head of the country's largest trade union, which includes the auto workers, called on Wilson to meet with union leaders to discuss the issues raised in the speech. Jones suggested a thorough review of current problems in industrial relations to determine the extent to which management practices and labor policies of the previous Tory government are responsible for the unrest. He urged a review of wage structures and discussion of measures for increased worker participation in managerial decisions. Jones also encouraged union members to use the new conciliation and arbitration services recently set up by the Labor government rather than resort to wildcat strikes to express displeasure with management practices.

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The record of the last nine months does not hold out much promise that government dialogue with the unions will relieve Britain's labor problems. Despite Labor's close links to the unions, earlier government efforts to achieve worker cooperation have been largely unsuccessful. Strike activity has continued at record levels since the Labor government came to power in March 1974. Voluntary wage restraints have had little impact on wage settlements even though labor has won substantial legislative gains from the Labor government.

Meanwhile, the Confederation of British Industry has asked Wilson for an emergency meeting to discuss the country's mounting economic problems. (Confidential No Foreign Dissem)

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Cypriot Leaders Schedule Further Talks

The intercommunal talks on Cyprus will soon turn to substantive political questions but a period of hard and probably lengthy bargaining lies ahead.

Greek Cypriot negotiator Clerides and Turkish Cypriot negotiator Denktash yesterday agreed to continue their talks on humanitarian matters and to commence talks--for the first time since the July coup--on the substantive issues involved in a final political settlement. According to the communique, the substantive discussions will deal initially with the powers and functions of the central government in the proposed federal state. The question of the size and shape of the Greek and Turkish Cypriot areas will be tackled later. The two sides are poles apart on both issues and compromise will be difficult. The Greek Cypriots favor a strong central government and several Turkish Cypriot cantons, while the Turkish Cypriots want a weak central government and one large, geographically-based zone for themselves.

The negotiators are likely to move first to settle the remaining humanitarian issues. Denktash, in particular, is expected to seek the release of Turkish Cypriots living in the south before entering into serious political discussions.

Procedures for the talks will be discussed at the next meeting between Clerides and Denktash scheduled for January 14. (Secret No Foreign Dissem)

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Turkish Political Stirrings

The Nationalist Front, the four-party coalition organized by Justice Party leader Demirel, has asked President Koruturk to give it authority to try to form a government and end the political stalemate that now is nearly four months old.

In a statement released Tuesday, the Front acknowledged that it controlled only 218 votes in parliament, eight short of an absolute majority, but said that if the president did not believe that a party outside the coalition could successfully form a government he should designate the National Front. Leaders of the front apparently believe that they could pick up the necessary votes from among the "fence sitters" in the Democratic Party, which so far has refused to join the coalition.

President Koruturk has shown some reluctance to turn to the rightist coalition and in his New Year's message referred to the danger of trying to form a government based on a "sterile absolute majority, floating votes or outside support." The president reportedly would prefer a government headed by former prime minister Ecevit, but if the Nationalist Front can demonstrate strong support he may be compelled to give Demirel a chance.

Both Demirel and Ecevit have sought to obtain a parliamentary majority by bringing the rightist Democratic Party into a coalition, but so far the members of that party have been unable to agree to accept either offer. Instead of being able to capitalize on its role as the swing party, the Democratic Party is on the verge of being torn apart by the issue. Demirel and the Justice Party stand to benefit the most if the Democrats split at their party congress next month.

Ecevit, who heads the left of center Republican People's Party, is also trying to gain the support of the major political parties for a conference to

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decide on a date for early elections. His recent trip to Cyprus was probably intended in part to enhance his personal popularity in Turkey and his hardline remarks may have been intended to allay the fears of those who are still wary of his leftist political learnings. Ecevit may also hope that the military, which prefers him to Demirel and is becoming increasingly unhappy over the political disarray, will press the other parties to accept his scheme for early elections. (Confidential)

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